

COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION
AT RICHMOND, FEBRUARY 5, 2019

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COMMONWEALTH OF VIRGINIA, *ex rel.*

STATE CORPORATION COMMISSION

v.

CASE NO. INS-2018-00234

GLOBE LIFE AND ACCIDENT
INSURANCE COMPANY,
Defendant

SETTLEMENT ORDER

Based on a market analysis inquiry conducted by the Bureau of Insurance ("Bureau"), it is alleged that Globe Life and Accident Insurance Company ("Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), in certain instances violated § 38.2-302 (A) of the Code of Virginia ("Code") by failing to obtain written consent of applicants to insurance contracts; §§ 38.2-316 (A) and 38.2-316 (C) of the Code by failing to comply with insurance application form filing requirements of the Commission; § 38.2-502 (1) of the Code by misrepresenting the benefits, advantages, conditions or terms of any policy; § 38.2-503 of the Code by making, publishing, disseminating, circulating, or placing before the public an advertisement which is untrue, deceptive or misleading; 14 VAC 5-30-70 B (1) of the Commission's Rules Governing Life Insurance and Annuity Replacements ("Rules"), 14 VAC 5-30-10, *et seq.*, by failing to make a diligent effort by mailing a self-addressed postage prepaid envelope with instructions for the return of the signed notice; 14 VAC 5-41-40 B of the Commission's Rules Governing Advertisement of Life Insurance and Annuities, 14 VAC 5-41-10, *et seq.*, by failing to fully disclose all the terms contained in an application; 14 VAC 5-41-40 C of the Rules by including

figures, dollar amounts, or statistical information in an advertisement that do not accurately reflect all current and relevant facts; 14 VAC 5-41-80 B of the Rules by using terms in an advertisement that were not evidenced as fact to the satisfaction of the Commission; and 14 VAC 5-41-90 E of the Rules by using advertisements that resemble a governmental program or agency which mislead prospective insureds into believing that the solicitation is in some manner connected with a governmental program or agency.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1040 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violations.

The Defendant has been advised of the right to a hearing in this matter whereupon the Defendant, without admitting any violation of Virginia law, has made an offer of settlement to the Commission wherein the Defendant has agreed to comply with the corrective action plan outlined in Bureau correspondence dated October 5, 2018, has tendered to Virginia the sum of Fifteen Thousand Dollars (\$15,000) and has waived the right to a hearing.

The Bureau has recommended that the Commission accept the offer of settlement of the Defendant pursuant to the authority granted the Commission in § 12.1-15 of the Code.

NOW THE COMMISSION, having considered the record herein, the offer of settlement of the Defendant, and the recommendation of the Bureau, is of the opinion that the Defendant's offer should be accepted.

Accordingly, IT IS ORDERED THAT:

(1) The offer of the Defendant in settlement of the matter set forth herein is hereby accepted.

(2) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

AN ATTESTED COPY hereof shall be sent by the Clerk of the Commission to: Kelly Masters-Newton, Assistant General Counsel, Globe Life and Accident Insurance Company, Globe Life Center, Oklahoma City, Oklahoma 73184; and a copy shall be delivered to the Commission's Office of General Counsel and the Bureau of Insurance in care of Deputy Commissioner Julie S. Blauvelt.